



HUMAN RESOURCES DEPARTMENT

City of Burlington

179 South Winooski Avenue, Burlington, VT 05401

Voice (802) 865-7145
Fax (802) 864-1777
Vermont Relay: call 711
or 800-253-0191

To: Board of Finance

From: Susan Leonard, Director of Human Resources

Date: June 19, 2013

Re: Employee Benefits' Agreements; Health Care

The contractual agreement for health care benefits expires on June 30, 2103. Request for Proposals were issued on February 28, 2013. We are recommending entering into a three year agreements with Blue Cross Blue Shield of Vermont. The recommendation is also to change the plan format from a Cost Plus format to an Administrative Services Only (ASO). Essentially, this allows the City to modify the coverage parameters.

The recommendation to stay with Blue Cross Blue Shield is based on the results of negotiations and the total cost. The proposed administrative fees reflect a 25% increase in FY14, from \$45.11 per employee per month to \$56.65 per employee per month. The administrative rates will remain unchanged in FY15 and FY16.

The total monthly cost of these administrative fees/premiums is dependent upon the total number of employees/retirees which can vary and ultimately determines the total cost of the benefit.

I look forward to answering any questions you may have; a draft resolution is attached.